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Farm Broadcasters Letter

Letter No. 2368

June 23, 1988

DROUGHT
HOTLINE

Sec'y of Agriculture Richard Lyng announced that the Presidential Interagency Drought Policy Committee has a toll-free telephone hotline to answer questions about Federal Government services available to citizens in drought-stricken areas. The toll-free number is 1-800-541-3375. (In the Washington, D.C. area the number is 202-447-8455.) Telephones are scheduled to be staffed beginning Friday, June 24, from 8 a.m. until 6 p.m., Eastern Daylight Time, on weekdays...and from 9 a.m. until 1 p.m. EDT on Saturdays.

AG OUTLOOK -
JUNE 17

Prospects of higher feed costs and lower livestock prices are lowering cattle and hog producers' income outlook, according to the U.S. Department of Agriculture. Lack of rainfall this spring raised concerns about pasture and range conditions as cattle movements off spring pastures increased. Conditions were the worst since 1934. If marketings of fed cattle rise and their prices drop enough to cause financial losses, feeder cattle prices will also be pushed down. Increased hog slaughter could lower hog prices in late summer from the \$50 per hundredweight reached in May. However, cash receipts for the livestock sector as a whole will about equal last year's, thanks to strength in poultry receipts.

USDA DROUGHT
RESPONSE

As of June 20, 1,063 counties in 28 states were approved for emergency haying and grazing of land idled under acreage conservation reserve and conservation use acres. Last week, Sec'y of Agriculture Richard Lyng announced that producers in counties suffering from severe drought will be authorized to harvest hay for a 30-day period on land in the long-term Conservation Reserve Program. Also, 120 counties in 9 states were approved for participation in the Emergency Feed Program. Ten counties in 4 states were approved to purchase surplus, government-owned feed at reduced prices under the Emergency Feed Assistance Program.

U.S.-JAPANESE
TRADE

Sec'y of Agriculture Richard Lyng commented on the resolution of the Japanese beef and citrus quota issue: "The agreement has a built-in transition period for the phase-out of quotas which will give the Japanese sufficient time to amend their domestic marketing policies. Once the quotas are lifted, Japanese beef imports will expand by at least \$1 billion, according to current estimates. The value of fresh oranges and orange juice imports is expected to double. ...the potential for increased U.S. exports is substantial. Currently, exports of these products to Japan are valued at \$625 million annually."

CHANGES BY
USSR

World trade in agricultural commodities and the size of U.S. exports are being affected by changes that Soviet leaders are making in policies and institutions, according to the U.S. Department of Agriculture. Among these changes are: Limited food price increases; a more favorable policy toward foreign trade; relaxation of central control over trade, farm production and production financing; and a shift of some agricultural investment from production itself to processing and distribution.

U.S. WHEAT
EXPORTS FOR
1987/88

U.S. wheat exports for the 1987/88 marketing year, which ended May 31, totaled 40 million 584 thousand metric tons compared to 24 million 558 thousand for the 1986/87 marketing year, according to the U.S. Department of Agriculture. The 1987/88 figure represents an increase of 65 percent over the previous year and is 30 percent above the five-year average and is second only to the 1981/82 marketing year, in which wheat exports totaled 47 million 110 thousand tons.

FARM
EXPENDITURE
UP 3.9 PCT.

Farm production expenditures totaled over \$110 billion in 1987, up 3.9 percent from \$106 billion in 1986, according to the U.S. Department of Agriculture. Expenditures were higher for all major categories except feed which decreased by half a percent, interest which dropped 15 percent, and fuels and lubricants which decreased by 7.3 percent. Feed expenses totaled \$14 billion 900 million and accounted for 13 percent of the U.S. total. The average expenditures per farm were \$50,791, an increase of \$2,815 from 1986. The expenditures of large farms, with sales of over \$100,000, averaged \$258,711 and accounted for over 67 percent of the U.S. total.

DROUGHT &
FEED GRAINS -
MID-JUNE

The U.S. corn stocks are large, and this will limit increases in corn prices due to the drought, according to the U.S. Department of Agriculture. Carry-over stocks on Sept. 1, 1988, are projected at over 4 billion bushels, much of which will be owned by the Commodity Credit Corporation or contained in the Farmer-Owned Reserve. If, because of the drought, nationwide corn yields this year average 25 percent below trend, an abnormally large drop, the total 1988 corn crop would still exceed 5 million 400 thousand bushels. Combined with carry-in stocks of over 4 billion bushels, this would provide a supply of 9½ billion bushels, more than enough to meet the projected 8 billion bushels needed for domestic use and exports during the 1988/89 marketing year.

FOOD PRICES
& DROUGHT

According to Ewen Wilson, the top economist at the U.S. Department of Agriculture, if the drought continues food prices will rise, but the increases are likely to be moderate. The effects of such higher food prices on the overall rate of inflation would be negligible.

CATTLE
ON FEED

On June 1, cattle and calves on feed for the slaughter market totaled 7 million 810 thousand head, up 3 percent from a year ago and up 10 percent from June 1, 1986, according to the U.S. Department of Agriculture. This is the highest June total since 1978. These cattle on feed are in the 7 states preparing monthly estimates--Arizona, California, Colorado, Iowa, Kansas, Nebraska, and Texas.

WOOD PRODUCTS
IN TRADE

In the first quarter of 1988, the U.S. exported solid wood products worth \$1 billion 190 million, up 35 percent over the first quarter of 1987, according to the U.S. Department of Agriculture. Hardwood products exports in the first quarter were \$239 million, 43 percent over the first quarter last year. The softwood product export value for the first quarter was \$836 million 500 thousand, which is 35 percent over the first quarter of 1987.

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1621...(Weekly 13½ min documentary) Gary Crawford covers what's happened so far in the "Drought of '88" and also talks with experts on how the drought may affect the future of food prices and the farm sector.

AGRITAPE/FARM PROGRAM REPORT #1609...(Weekly reel of news features) USDA news highlights; Food and the drought; Drought and CCC stocks; Drought and crop insurance; New agreement with Japanese on beef and citrus.

CONSUMER TIME #1101...(Weekly reel of 2½-3 min features) Drought and food prices; A new nutrition buzz word; The future of food retailing; Higher health insurance premiums; Iron out your diet problems.

USDA RADIO NEWS SERVICE...Thurs, June 30, World coffee situation, Grain stocks, Hogs and pigs, also reports from the Crop Quality Conference in St. Louis; Fri, July 1, Wrap up report from Quality Conference; Wed, July 5, Crop weather update, Dairy products. Mon, July 11, Coverage from Ag. Communicators Conference in Washington will include report on GATT talks and trade issues. Tues, July 12, More conference coverage, includes Farm Credit bailout update, Biotechnology...Also the USDA will issue its U.S. crop production report, Ag. supply and demand and Soviet outlook reports. We expect a press conference on these reports at the conference and we will have spot coverage. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

FROM THE NEWS SERVICE: In addition to our normal news lines, we are offering a daily crop weather update which is changed Monday through Friday at 9 A.M. Eastern Time. The number for this report is 202-447-2545.

TELEVISION SERVICE programs, A BETTER WAY, DOWN TO EARTH, AGRICULTURAL UPDATE and SATELLITE NEWS are available on satellite Westar IV, audio 6.2 or 6.8 as follows:

Thursdays....AG UPDATE/SATELLITE NEWS, 7:30-7:45 p.m. ET.....Transponder 12D

Saturdays....A BETTER WAY, 10:00-10:30 a.m. ET.....Transponder 9X
ORIGINAL DOWN TO EARTH, 10:30-11:00 a.m. ET....Transponder 9X
UPLINK SATELLITE NEWS/AG UPDATE, 11:00-11:15 a.m. ET.....Transponder 9X

Mondays.....A BETTER WAY, 8:00-8:30 a.m. ET.....Transponder 12D
REPEAT DOWN TO EARTH, 8:30-9:00 a.m. ET....Transponder 12D
UPLINK SATELLITE NEWS/AG UPDATE, 9:00-9:15 a.m. ET.....Transponder 12D

A BETTER WAY is also available on The Learning Channel SATCOM 3R, Transponder 2, Audio 6.8 each Thursday at 10:30 a.m. ET.

OFF MIKE

Jack Towers, retired, USDA Radio, was interviewed on National Public Radio about his retirement full time hobby, restoring old recordings. The subject was the Duke Ellington concert he recorded on acetate disc back on Nov. 7, 1940, in South Dakota, on acetate. Jack's now restored over 500 old discs and he does it all in his home basement...Consultants Don Lerch and Ed Rider met in Washington with twelve members of the Japan Agricultural Journalists' Assoc., who were completing a two-week nationwide study tour of U.S. agriculture. A JAJA representative will attend the U.S. Ag. Communicators' Congress...Crop Weather Update--Effective immediately, until the drought ends or the telephone company accidentally cuts the wire again, the USDA's Chief Meteorologist Norton Strommen will give a daily update on the crop weather conditions. A new update every week day at 9 A.M. The number to call is 202-447-2545.

Farm Broadcasters Letter
Radio and Television, Rm. 410A
Office of Information, OGPA
U.S. Department of Agriculture
Washington, D.C. 20250-1300

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Margaret T. Desatnik
MARGARET T. DESATNIK, Acting Chief
Radio and Television Division